

DRAFT 2009-2019 IMPACT FEE UPDATE

City of Arlington, Texas



Fiscal Policy Committee – March 9, 2010



Infrastructure and Funding



- 10-year infrastructure costs to support new growth

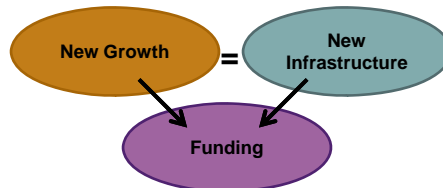
- \$276 Million

- Potential Impact Fee collections

- \$152 Million

- Infrastructure Financing Options

- Federal and State Funds
- City fees (front footage, impact)
- Bonds, taxes, and utility rates paid by City residents



Use of Impact Fees



■ Water Projects

- 36" line in Mary St. - \$2 million
- 42" supply line in Nathan Lowe Rd. - \$5 million

■ Wastewater Projects

- 30" Trinity Branch Interceptor - \$1 million
- 18" Fish Creek Interceptor - \$1 million

■ Roadway Projects

- Green Oaks Blvd. from Lincoln Dr. to east City limits - \$9 million
- Collins Street from Webb Ferrell to Ragland Rd - \$25 million

Program Highlights



■ Credits


- Credits for water and wastewater improvements
- Credit provisions for all Impact Fee CIP facilities
- Credit amount dependent upon percentage of Schedule 1 approved

■ Flexibility

- More flexibility in expending roadway funds and charging utility users outside City limits

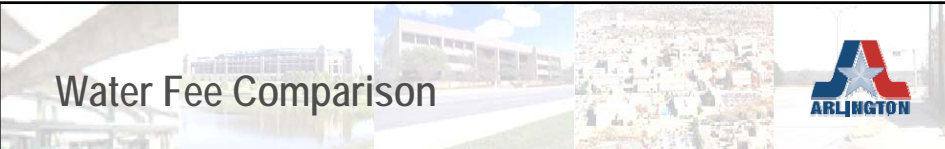
■ Accuracy

- Debt service method provides a more accurate rate than previous 50% method



Incentives

- **Must be tied to roadway, water, or wastewater facilities**
 - Example: a hotel that installs a water recycling system would by default receive an incentive because they could request a smaller water meter.
- **Geographic location is an incentive for reduced roadway fees**
 - Example: Great Southwest Industrial District does not propose a roadway fee
- **Impact Fee Ordinance contains a provision allowing developers to submit a study showing reduced impacts**
 - Example: a mixed-use project with residential, office, and commercial uses could reduce the amount of vehicle trips.



Water Fee Comparison

City	Percent of Maximum	Year Updated	Smallest Meter (single-family)	3" Meter Fee (commercial)
Garland	100.0%	2004	\$50	\$550
Arlington (current)	38.6%	2002	\$480	\$13,520
Carrollton	34.7%	2002	\$560	\$8,960
Fort Worth	50.0%	2004	\$616	\$10,736
Plano	70.8%	2003	\$912	\$9,757
Hurst	n/a	n/a	\$1,203	\$16,606
Eules	n/a	na/	\$1,337	\$32,087
Mansfield	53.7%	2006	\$2,600	\$36,400
Grand Prairie	75.0%	2005	\$2,664	\$42,624
Arlington (updated)	100.0%	2009	\$3,204	\$37,391
Kennedale	n/a	n/a	\$3,553	\$37,897
Denton	100.0%	2008	\$3,700	\$83,300

Wastewater Fee Comparison



City	Percent of Maximum	Year Updated	Smallest Meter (single-family)	3" Meter Fee (commercial)
Eules	n/a	n/a	\$92	\$1,838
Carrollton	34.8%	2002	\$190	\$3,040
Fort Worth	42.5%	2004	\$224	\$3,908
Plano	54.0%	2003	\$329	\$3,519
Arlington (current)	66.9%	2002	\$380	\$10,720
Grand Prairie	75.0%	2005	\$901	\$14,408
Hurst	n/a	n/a	\$946	\$10,439
Kennedale	na/	n/a	\$1,211	\$12,920
Arlington (updated)	100.0%	2009	\$1,468	\$17,132
Denton	100.0%	2008	\$1,730	\$38,900
Mansfield	50.0%	2006	\$1,900	\$26,600

Roadway Fee Comparison



City	Percent of Maximum	Year Updated	Single-Family Fee (unit)	Retail Fee (1,000 sf)
Arlington (Service Area G)	100%	2009	\$619	\$1,025
Arlington (current)	33%	2002	\$670	\$1,393
Garland	65%	2004	\$1,166	\$1,628
Kennedale	n/a	n/a	\$1,336	n/a
Mansfield	n/a	2004	\$1,425	\$1,627
Mesquite	66%	2005	\$1,790	\$2,003
Arlington (Service Area E)	100%	2009	\$1,802	\$2,984
Fort Worth	50%	2008	\$2,000	\$1,973
Arlington (Service Area A)	100%	2009	\$3,053	\$5,056

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Fee Comparisons: Metroplex



Percentage of Schedule 1 Assessed						
City	Roadways		Water		Wastewater	
	Residential	Non-Residential	Residential	Non-Residential	Residential	Non-Residential
Arlington	33%		28%	49%	48%	85%
Fort Worth	32%	27%	50%		50%	
Garland	65%		50%			
Grand Prairie			75%		75%	
Mesquite	66%					
Carrollton			34%		35%	
Denton			100%		100%	
Eules			50%		50%	
Mansfield	47%	25%	43%		43%	
Hurst			50%		50%	
Kennedale	100%		65%		100%	

Current Fee Development Scenario:
20-lot Subdivision



- **Water Fee**
 Schedule 2 Rate) x LUE Multiplier = Water Fee
 $\$480 \times 1.0 = \$480 \text{ per dwelling unit}$
- **Wastewater Fee**
 Schedule 2 Rate x LUE Multiplier = Wastewater Fee
 $\$380 \times 1.0 = \$380 \text{ per dwelling unit}$
- **Roadway Fee**
 Schedule 2 Rate x VMT per Unit = Roadway Fee
 $\$250 \times 2.68 = \$670 \text{ per dwelling unit}$
- **Total**
 (Water + Wastewater + Roadway Fee) = Maximum fee per unit
 $\$480 + \$380 + \$670 = \$1,530 \text{ per unit}$

Schedule 1 Fee Development Scenario: 20-lot Subdivision



- **Water Fee**

$$\begin{aligned} & \text{(Cost Per Service Unit - Debt Credit Per Service Unit) x LUE Multiplier = Water Fee} \\ & (\$3,772 - \$568) \times 1.0 = \mathbf{\$3,204 \text{ per dwelling unit}} \end{aligned}$$

- **Wastewater Fee**

$$\begin{aligned} & \text{(Cost Per Service Unit - Debt Credit Per Service Unit) x LUE Multiplier = Wastewater Fee} \\ & (\$2,137 - \$211 - \$458) \times 1.0 = \mathbf{\$1,468 \text{ per dwelling unit}} \end{aligned}$$

- **Roadway Fee**

$$\begin{aligned} & \text{Net cost per VMT x VMT per Unit = Roadway Fee} \\ & \text{Service Area A: } \$898 \times 3.40 = \mathbf{\$3,053 \text{ per dwelling unit}} \end{aligned}$$

- **Total**

$$\begin{aligned} & \text{(Water + Wastewater + Roadway Fee) = Maximum fee per unit} \\ & \text{Service Area A: } (\$3,204 + \$1,468 + \$3,053) = \mathbf{\$7,725 \text{ per unit}} \end{aligned}$$

Current Program Development Scenario: 3,000 sq. ft. Restaurant



- **Water Fee**

$$\begin{aligned} & \text{Schedule 2 Rate x LUE Multiplier = Water Fee} \\ & \$845 \times 1.75 = \mathbf{\$1,479 \text{ for 1" meter}} \end{aligned}$$

- **Wastewater Fee**

$$\begin{aligned} & \text{Schedule 2 Rate x LUE Multiplier = Wastewater Fee} \\ & \$670 \times 1.75 = \mathbf{\$1,173 \text{ for 1" meter}} \end{aligned}$$

- **Roadway Fee**

$$\begin{aligned} & \text{Schedule 2 Rate x VMT x 1,000 sq. ft. = Roadway Fee} \\ & [(\$250 \times 5.57) \times 3] = \mathbf{\$4,178 \text{ for 3,000 sq. ft. building}} \end{aligned}$$

- **Total**

$$\begin{aligned} & \text{(Water + Wastewater + Roadway Fee) = Total Fees} \\ & \$5,915 + \$4,690 + \$4,178 = \mathbf{\$6,830 \text{ total}} \end{aligned}$$

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Schedule 1 Development Scenario:
3,000 sq. ft. Restaurant



Water Fee

(Cost Per Service Unit – Debt Credit Per Service Unit) x LUE Multiplier = Water Fee
(\$3,204 x 1.67) = \$5,351 for 1" meter

Wastewater Fee

(Cost Per Service Unit – Debt Credit Per Service Unit) x LUE Multiplier = Wastewater Fee
(\$1,468 x 1.67) = \$2,452 for 1" meter

Roadway Fee

Net cost per VMT x VMT per Unit = Roadway Fee
Service Area A: [(\$898 x 5.63) x 3] = \$12,921 for 3,000 s.f. bldg.

Total


(Water + Wastewater + Roadway Fee) = Total Fees
Service Area A: \$5,351 + \$2,452 + \$12,921 = \$20,724 maximum fee

CPI Increase




Water							
Year	Current Schedule 1	Current Schedule 2		CPI Growth	Current Schedule 2 - CPI Growth		2009 Schedule 1
		Residential	Non-Residential		Residential	Non-Residential	
2002	\$1,715	\$480	\$845	1.6%	\$488	\$859	\$3,204
2003	\$1,715	\$480	\$845	2.3%	\$499	\$878	\$3,204
2004	\$1,715	\$480	\$845	2.7%	\$512	\$902	\$3,204
2005	\$1,715	\$480	\$845	3.4%	\$530	\$933	\$3,204
2006	\$1,715	\$480	\$845	3.2%	\$547	\$962	\$3,204
2007	\$1,715	\$480	\$845	2.8%	\$562	\$989	\$3,204
2008	\$1,715	\$480	\$845	3.8%	\$583	\$1,027	\$3,204
2009	\$1,715	\$480	\$845	-0.4%	\$581	\$1,023	\$3,204
	\$1,715	\$480	\$845	19.4%	\$581	\$1,023	\$3,204

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CPI Increase 

Wastewater							
Year	Current Schedule 1	Current Schedule 2		CPI Growth	Current Schedule 2 - CPI Growth		2009 Schedule 1
		Residential	Non-Residential		Residential	Non-Residential	
2002	\$785	\$380	\$670	1.6%	\$386	\$681	\$1,468
2003	\$785	\$380	\$670	2.3%	\$395	\$696	\$1,468
2004	\$785	\$380	\$670	2.7%	\$406	\$715	\$1,468
2005	\$785	\$380	\$670	3.4%	\$419	\$739	\$1,468
2006	\$785	\$380	\$670	3.2%	\$433	\$763	\$1,468
2007	\$785	\$380	\$670	2.8%	\$445	\$785	\$1,468
2008	\$785	\$380	\$670	3.8%	\$462	\$814	\$1,468
2009	\$785	\$380	\$670	-0.4%	\$460	\$811	\$1,468
	\$785	\$380	\$670	19.4%	\$460	\$811	\$1,468

CPI Increase 

Service Area	Current Schedule 1	Current Schedule 2	Current Schedule 2 - CPI Growth	2009 Schedule 1
1 A	\$455	\$250	\$303	
27 A	\$219	\$219	\$265	\$898
2 B	\$707	\$250	\$303	
6 B	\$980	\$250	\$303	\$2,064
3 C	\$406	\$250	\$303	
7 C	\$902	\$250	\$303	\$845
5 D	\$137	\$137	\$166	
8 D	\$199	\$199	\$241	
9 D	\$0	\$0	\$0	\$0
10 E	\$367	\$250	\$303	
14 E	\$516	\$250	\$303	
15 E	\$562	\$250	\$303	\$530
11 F	\$418	\$250	\$303	
16 F	\$744	\$250	\$303	
17 F	\$943	\$250	\$303	\$1,586
12 G	\$647	\$250	\$303	
13 G	\$398	\$250	\$303	
18 G	\$354	\$250	\$303	\$182
19 H	\$601	\$250	\$303	
20 H	\$769	\$250	\$303	
23 H	\$1,238	\$250	\$303	
24 H	\$723	\$250	\$303	\$765
21 I	\$697	\$250	\$303	
22 I	\$621	\$250	\$303	
25 I	\$980	\$250	\$303	
26 I	\$3,066	\$250	\$303	\$3,094
4 J	\$0	\$0	\$0	\$0
Average	\$688	\$224	\$271	\$1,610



Considerations

- Balance between fee structure and development costs
- Significant infrastructure needs with limited funding options
- Timing of fee changes